



Network code on harmonised transmission tariff structures for gas

What does it change
for market participants?

Introduction

The Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas (Tariff Network Code, TAR NC) defines new procedures and obligations of the national regulatory authority and the transmission system operator in the scope of using transmission tariffs such as consultation and publication requirements, rules regarding the methods of establishing the reference price for all network points, and rules regarding calculation of reserve prices of standard capacity products. Below, we explain what advantages for market participants result from the NC TAR code in effect from 6 April 2017 and which new solutions are introduced by the regulation.



Familiarise yourself with the full text of the Regulation No 2017/460:





Commission Regulation (EU) No 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas

Why was the TAR NC code adopted?

The TAR NC allows adopting uniform principles in the EU, the aim of which is:

- 
 market integration, improving the security of supply and promoting interconnections between gas networks;
- 
 increased transparency of transmission tariff structures and the procedures of establishing them;


 publishing information regarding the revenues of transmission system operators;


 providing network users with a wider scope of information on tariffs for transmission and non-transmission services and allowing a better understanding of the amendments to these tariffs, the ways of their introduction, and the trends of their changes.

What information will GAZ-SYSTEM publish in accordance with the TAR NC?

30 days prior the new tariff enters into force GAZ-SYSTEM publishes information regarding:

parameters used in the method of establishing the reference price related to technical characteristics of the system	allowed operator's revenue	transmission and non-transmission tariffs not published before annual auctions	tariff levels changes
Article 30 (1a)	Article 30 (1b)	Article 30 (1c)	Article 30 (1d)
Technical capacity	Regulated income level	Volume-based tariffs	Explanation of questions regarding the levels of tariffs, the trend of changes in tariff payments, and the simplified tariff model.
Forecasted contracted capacity	Regulated income splits	Non-transmission tariffs	
Volume and direction of gas transmission	Information on the regulatory account	Reference prices for points to which CAM NC does not apply	
Transmission network structure	Parameters (such as CAPEX, OPEX, inflation rate, etc.)	Other prices for points to which CAM NC does not apply	
Technical information regarding transmission network			

30 days before the annual auction of firm and interruptible capacity products, GAZ-SYSTEM publishes information concerning:



the reserve prices applicable until at least the end of the gas year beginning after the annual yearly capacity auction



multipliers and seasonal factors and the justification of their level



for interruptible products: assessment of the probability of interruption and the method of its calculation

What will be the subject of periodic consultations with market participants introduced by TAR NC?

Periodic consultations will be organized every five years and will concern the below aspects:

- description of reference price methodology, indicative reference prices,
- cost allocation assessments,
- comparison of the selected reference price methodology with the CWD counterfactual,
- information regarding allowed revenue, fixed tariff rates and non-transmission tariffs,
- tariff changes and their trends with simplified tariff model.

Depending on the decision of the national regulatory authority, periodic consultations will be conducted by GAZ-SYSTEM or the Energy Regulatory Office.

Which dates concerning TAR NC are important for market participants?



6 April 2017

entry into force of the TAR NC



1 December 2017

publication of the tariff applicable from 1 January 2018



2nd/3rd quarter of 2018

start of the first periodic consultations



June 2018

first publication of reserve price before annual capacity auction for gas year 2018/2019



31 May 2019

the deadline of full adjustment of the TAR NC implementation. Publication of the tariff applicable from 1 January 2020

Where can I find the documents concerning the participation in the consultations and information on the transmission tariff published by GAZ-SYSTEM?

The information on the periodic consultations organised by GAZ-SYSTEM will be available on the GAZ-SYSTEM website in the **TARIFF** tab. Moreover, information on interconnections, which, in accordance with TAR NC (art. 29 and 30) should be published before the annual capacity auction and before the start of the tariff process, will be available on ENTSOG's **Transparency Platform**.



If you have any questions regarding the Regulation on harmonised transmission tariff structures for gas, please contact us at:
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Elaboration of the brochure: **Finance Division**
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